

**REMARKS OF FCC CHAIRMAN AJIT PAI  
AT INTERNATIONAL INSTITUTE OF COMMUNICATIONS'  
INTERNATIONAL REGULATORS FORUM**

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Thank you to Commissioner Juarez and everybody at the IFT for hosting a great conference. It's been both enjoyable and enlightening to spend time with my counterparts from around the globe. I'm excited to be a part of such a distinguished panel.

And I'm particularly grateful that our panel is focusing on closing the digital exclusion gap. That's because my top priority since becoming FCC Chairman has been making sure everyone can benefit from the Internet revolution.

To raise public awareness about the digital divide—and to help inform our decisions—I've spent much of the past 20 months travelling throughout the United States to visit the people and places that have been bypassed by the Internet revolution.

To date, I've visited more than 100 cities in 41 states and two territories, driving more than 11,000 miles in various rental cars. Forgive me: More than 17,000 kilometers. To put that into perspective, that's basically the distance of a drive from Mexico City to Washington, D.C. and back—twice.

One of the biggest lessons from these trips is that broadband is critical, no matter who you are or what you do for a living or where you live.

Broadband matters to a potato farmer I met in Idaho. He uses everything from an LTE-based soil analysis app to drones to improve productivity and reduce costs. And broadband matters to a cattle rancher I met in Colorado. She relies heavily on it, from RFID chips that help her monitor each of her cows to an app that lets her follow online cattle auctions.

And broadband matters to America's military veterans, too. On recent visits to Utah and Rhode Island, I visited hospitals that used telemedicine to help veterans hundreds of miles away who are dealing with Post-Traumatic Stress Disorder.

I could go on with more stories about why broadband matters to business owners and job seekers; educators and students; emergency responders and accident victims; elected officials and engaged citizens. The basic point is that a broadband connection has become a prerequisite for full participation in our modern economy and civic life.

The second thing my travels confirm is that America's digital divide is most acute in rural America. You don't need to spend hundreds of hours driving across America to see this. Just look at the numbers. According to the FCC's most recently available data, only about 2% of urban residents lack access to fixed, terrestrial high-speed Internet of at least 25/3 Mbps. That increases to around 30% for rural residents.

But those unfortunate numbers don't capture a larger story that's unfolding in some parts of rural America. On a recent trip through Eastern Oregon, I heard from local officials about how the lack of broadband is hurting the economy and is even making some residents less optimistic about the future. On the opposite side of the country, in Maine, I heard the same anxieties about how rural communities will fit into our digital future. This anxiety isn't in their heads. Across America, rural communities are losing population, as people leave for better opportunities in the city. One of those communities is my

hometown of Parsons, Kansas, a small town three hours south of Kansas City. When I graduated from high school, its population was 11,983. Today, it's 9,900.

I would like to think that we can change the perception and reality of rural America's future—to bring more hope for a growing economy, more educational opportunities, better healthcare, and the like—but that requires people to be connected.

These are some of the reasons why closing the digital divide is the FCC's top priority. Now, I'll mention some solutions.

The best way to make sure every American has better, faster, cheaper Internet access is to set a market-based regulatory framework that promotes competition and increases network investment. We need to make it as appealing as possible for private companies to raise the capital and hire the crews to deploy networks to unserved and underserved areas. That is why the FCC has removed many regulatory barriers to lower the cost and speed the process of building infrastructure. For example, the agency has adopted reforms to make it easier and cheaper for broadband providers to access utility poles. The FCC has also modernized rules that required carriers to maintain yesterday's copper networks, which frees more money to build tomorrow's fiber networks.

We also want to promote competition and innovation that could transform the marketplace. For instance, the FCC has approved applications from companies like SpaceX and OneWeb that want to send thousands of satellites into low-Earth orbit to provide high-speed Internet. These new networks hold the potential for much faster and more reliable satellite Internet services and could help us reach our hardest-to-serve areas. We have also given the green light to geostationary companies like ViaSat and Echostar to deploy their next-generation satellite services to consumers and businesses. And our vision for more competition and innovation extends to IP-based broadcasting, too. The FCC has encouraged the development of the next-generation of broadcast television. Last year, we authorized broadcasters to begin using this new standard, known as ATSC 3.0. By allowing use of this Internet-based standard on a voluntary, market-driven basis, we've opened the door to a substantially improved, free, over-the-air television broadcast service and fiercer competition in the video marketplace.

Speaking of new competitive options, just last week, consumers in Houston, Indianapolis, Los Angeles, and Sacramento became the first people in the world to enjoy home Internet service that relies on commercial 5G wireless technology. These next-generation wireless networks promise gigabit speeds. The FCC has made facilitating the rollout of 5G a major priority. Indeed, just last month, we made a major decision to spur 5G deployment by promoting wireless infrastructure. We did this by limiting siting fees and establishing shorter shot clocks for small-cell siting decisions.

There's one important point I would like to emphasize about our 5G infrastructure decision. One economic analysis of our reforms projects that they will cut about \$2 billion in costs, unleashing \$2.4 billion in extra investment. But here's the key point: 97% of that new deployment will be in rural and suburban communities. That's because when we reduce the cost of deployment, it has the biggest impact in those areas where the investment case is the most marginal.

Of course, there are some areas where the business case for broadband deployment just won't exist—no matter how much red tape you cut. These are typically rural areas with sparser populations and lower incomes. The FCC manages programs to connect these rural communities, called the Universal Service Fund. And here too, we're applying market principles to maximize the Fund's impact. For instance, we recently finished a groundbreaking auction called Connect America Fund Phase II. Through this unique reverse auction, we recently awarded about \$1.5 billion to connect over 700,000 homes and businesses nationwide.

Before the auction, we identified parts of our country that were unserved by broadband. This was so that we could target funding to leverage—not displace—private capital expenditures. We didn't want to fund overbuilding. We also made sure the auction was open to providers of all types, including rural

telecom companies, cable, fixed wireless, and satellite. This ensured that there would be plenty of competition. For the auction itself, we gave an advantage to those bidders who wanted to deliver better speeds and lower latency.

In my view, the outcome of the auction was fantastic. We distributed funding much more efficiently with competitive bidding, saving \$3.5 billion over the \$5 billion price we initially thought would be required to connect these unserved areas. We also ensured that 99.7% of the winning bids would provide consumers service of at least 25/3 Mbps. And we enabled a variety of entities, from fixed wireless to electric utilities, to win.

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Here's the bottom line. Whether you're from the United States, Mexico, Mongolia, Jamaica, Costa Rica, or Nicaragua, bridging the digital divide is an imperative in the 21<sup>st</sup> century. I look forward to a lively discussion, to learning from you, and to working together to expand digital opportunity to more people around the globe.